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TS # 43999

24 May 1951

MEMORANDUM TO THE DIRECTOR

SUBJECT: Survey of Office of Policy Coordination by Deputy Director of Central Intelligence

I.

Introduction

During the period 16 April to 7 May 1951, a survey was conducted of each Division and Branch of the Office of Policy Coordination by DDCI. The purpose was to develop the facts applicable to OPC's organization, workload and efficiency to discover both weaknesses and strengths in order to correct the former and exploit the latter. A memorandum issued by ADPC at the beginning of the survey is at Tab "A" of Appendix.

Survey notes were made as each OPC element was covered during the survey (Appendix Tab "B"). A summary of detailed findings from such notes was prepared by Colonel Johnston (Appendix Tab "C"). A draft of my report was also prepared by Colonel Johnston who gave me most valuable assistance throughout the survey. Although this draft, expressing in part my findings and recommendations and in part those of Colonel Johnston, is superseded by this memorandum, the draft is submitted herewith (Appendix Tab "D").

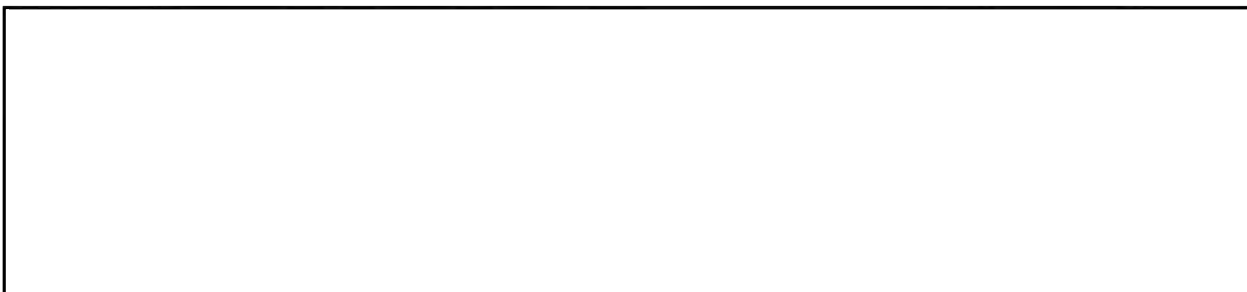
The mission of OPC and its accomplishments from 10 September 1948 to 1 September 1950 were fully and accurately stated by Mr. Wisner in the report he made to you at the time you assumed the duties of DCI (Appendix Tab "E"). A further report containing a summary of activities during the third quarter of the fiscal year 1951 has also been submitted to you by ADPC (Appendix Tab "F"). These reports and the memorandum, dated 8 May 1951, to the National Security Council on the Scope and Pace of Covert Operations ("Magnitude Paper"—Appendix Tab "G") offer convincing proof of the present broad scope and importance of the OPC mission and the probable increase in magnitude of these operations in the near future. In terms of personnel now on duty, exclusive of its deep cover personnel, OPC employs [] of CIA. Its percentage of personnel on duty, awaiting entrance on duty and pending security clearance is []. An amount of [] is included in the Agency's annual budget for OPC activities which represents [] of the total Agency's detailed 1952 budget.

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II.

Findings

A. General

1. Despite confusion as to the responsibility of the DCI for the operations of CIA resulting from Admiral Hillenkoetter's interpretation of NSC 10/2 and often a lack of sympathetic support from central administration, there has been outstanding accomplishment by Mr. Wisner and the Office of Policy Coordination in the face of almost insuperable obstacles and difficulties. This Office has shown great initiative, imagination and devotion to duty unsurpassed if equalled anywhere in the Agency.

2. OPC is undermanned for the proper discharge of its current workload. The principal causes are the inadequacy of the security clearance machinery and the failure of the recruiting service to produce sufficient candidates of adequate caliber.

B. Staff

3. a. The OPC Staff is acutely undermanned qualitatively - especially in the Strategic Plans Branch and the Logistical Plans Branch. Staff officers, trained in the techniques of operational and logistical planning for undertakings of the magnitude contemplated for OPC, are badly needed. The best and most available pool of such personnel consists of those trained in the Armed Forces. The need here is urgent, without regard to the final outcome of the NSC "Magnitude Paper." There is also need for strengthening the Personnel and Fiscal divisions of the OPC administrative staff and the Operations division of the planning and operational staff.

b. Research and Development. The functions of technical Research and Development are presently being performed by an undermanned branch of Logistics Division where it tends to be submerged and relatively ineffective. This function should be separated from the Logistics staff and given greater emphasis.

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C. Area Divisions

4. a. The OPC Area Divisions are undermanned quantitatively, even to carry their current operational workloads. Consequently, current planning is way behind schedule. Field Stations in many vital areas are only just being organized; some are non-existent; most of them are understaffed. In Washington, there is a general shortage of operational and logistical planners, of area specialists, and of key administrative personnel. Qualitatively, there is a great discrepancy between the most highly qualified Division Chiefs and the least qualified. This same discrepancy and lack of balance is observable as between the highest and the least qualified Branch Chiefs within each Division. This fact is well recognized by ADPC and his staff. It is a symptom of the newness of the organization and the speed with which the burdens of operational commitments have overtaken the capacity to recruit highly qualified personnel.

b. Latin America and Special Projects Divisions are only organized in the barest outline.

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c. Near East and Africa Division, though having a competent Chief and more area know-how than most divisions, is lacking in operational and logistical planners and in competent administrative personnel. Its entire organization has been staffed only in outline.

d. Eastern Europe Division throughout reflects, at the same time, the ability, zeal and impetuosity of its Chief. It is lacking in qualified technicians in operational and logistical planning. The lack of area know-how is most marked in this Division, and is very thin in even its most sensitive Branch, i.e., U.S.S.R.

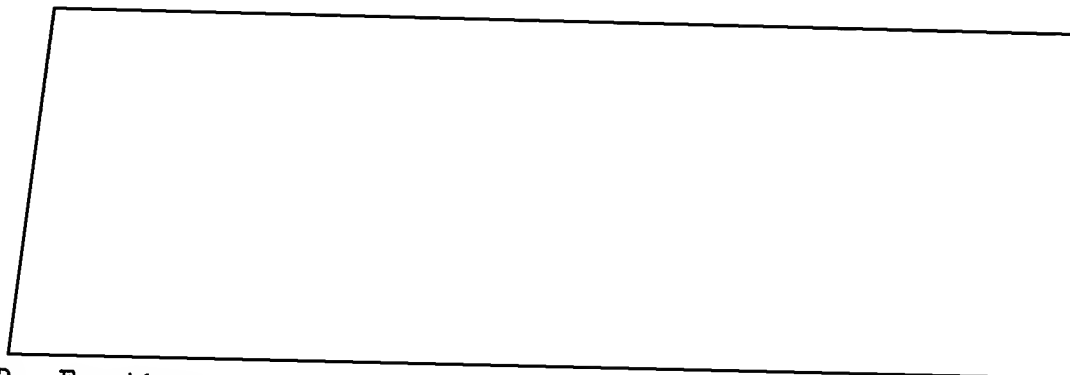
e. Far East Division is ahead of the other divisions in quantitative strength (partly by virtue of high priorities in Korea and). It is also probably better balanced qualitatively than any division, other than Western Europe. However, it is still understrength as against the magnitude and pace of its large high priority projects and is weak in the fields of political and psychological warfare and in administrative know-how.

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D. Functions

5. a. Of three contemplated Functional Staff Divisions (Commercial, Psychological Warfare and Para-Military) only one, the Commercial Division, has been organized to date, and that was formed during my survey and is just becoming operational. It is in such a preliminary form that I was unable to evaluate it except to find that it needs help from the Director's office to staff it promptly to the point where it can begin to perform its important function.

b. The Psychological Warfare Division is also badly needed. At present there is a nucleus of such a division in a Psychological Warfare Branch of the Special Projects Division. But it is so placed organizationally and is so undermanned that it is not equipped to give adequate staff supervision to the psychological warfare function throughout OPC.

c. The Para-Military function is, at present, represented at the level of staff coordination by six junior officers in the Plans Division of the OPC staff, none of whom is capable of serving as chief of a special staff division in this field. At the area division level it is spotty, depending largely on the personal background and experience of the division chief and his key subordinates. It is most fully developed in Far East, as might be expected, from the background of its Chief

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organization of a functional staff division in this field is The urgently needed.

6. The Training function, although of more concern to OPC than perhaps to any other office in CIA, is represented in OPC by one junior staff officer. In Washington, all training of OPC personnel is the responsibility of OSO's Training Division under Colonel Baird's general supervision (although OPC has a voice on a joint training committee).

7. The Communications function, which is the lifeline of covert operations, is similarly covered in OPC by a junior staff officer, the Communications Division being an OSO element.

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8. The Intelligence function is not, as such, a prime function of OPC, but intelligence is a vital by-product of covert operations and is a vitally needed factor in planning covert operations. I found generally, throughout my survey of OPC, a deficiency in the necessary two-way channel between OPC and the rest of CIA to insure that intelligence, as an OPC by-product, is properly transmitted to the rest of CIA and to insure that intelligence, as a vital factor in OPC planning, is properly siphoned off the rest of CIA and fed into OPC. I also found that there is a detailed level of area-operational intelligence required for covert operational planning which is not available in CIA and which will require new mechanisms and techniques to acquire.

E. Organization

9. OPC Organization. The present outline organization of OPC is sound but it has not yet been staffed to the point where it can be fully effective (Memorandum Exhibit 2). It is basically a staff-line organization, with the chain of command running directly to the Area Division. A typical organization chart of an area division is at Exhibit 3. The staff assists ADPC primarily in the fields of research, planning, coordination of operations, inspection, review and evaluation of results, and in the administration of men, money, materiel and services. However, the staff is not yet fully effective, partly because of its newness but more importantly due to a tendency toward over-centralization of administration in CIA. This leaves the OPC staff in the position of responsibility for results but little authority over means. The Area Chiefs have tended more and more to short-circuit ADPC's office and staff and to deal directly with the administrative elements of CIA headquarters, where there is authority over means though no responsibility for results. This has resulted in uncoordinated staff actions and in important OPC matters, involving command decisions, being referred to DDCI and DCI through the administrative channel, which have never been in the command channel (ADPC - DD/P) at all.

10. Organizational Anomaly in CIA. The situation described in paragraph 9 above is due in large part, in my opinion, to an organizational anomaly in CIA. The central organization for administration is eminently satisfactory for the overt intelligence offices, which receive their missions and means through the same channel, i.e., DDCI, who has coordinate authority and responsibility over them and over the Deputy for Administration. In other words, DDCI, who has responsibility for the intelligence mission performed by the overt intelligence offices, is also in a position to insure that this mission receives adequate administrative support. Yet, DD/P, who has responsibility for covert operations, has no direct control over the resources demanded by these operations. The intelligence offices are essentially central offices whose resource problems are comparatively unimportant and do not run to the essence of their missions. They lend themselves readily to central administration and to the type of staff coordination which a single DDCI can give without necessity for a well-developed operational staff above them. Whereas the covert offices, especially OPC, are

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not essentially central offices at all, but are global command-type operations. They require a command and staff for their coordination, which requires daily adjustments of means to mission. Their present mission is largely one of building an apparatus, i.e., welding men, money and materiel, into a world-wide machine, comparable in many ways to a military force, in terms of the logistical and administrative problems involved. OPC has nevertheless little effective control over covert personnel procurement or covert training, or over covert logistical procurement or covert communications, all of which are the essence of building the covert apparatus. These essential functions are almost wholly controlled by CIA central administration or by OSO. Thus OPC has its mission requirements imposed through one chain of command (which has no control of administration), and gets its means resources through another chain of authority (which has no responsibility for operations). Much of the criticism of OPC's administration and much of the weakness of OPC's administrative staff is due to this split between responsibility and authority—between responsibility for results and authority over the means to accomplish those results.

F. Administrative Procedures

11. Administrative Relationships and Procedures (CIA-OPC).

a. I was unable to discover any clear understanding of the divisions of responsibility and authority for administrative matters between OPC and the CIA administrative agencies. The CIA manual merely puts DD/A "in charge" of personnel, materiel, money, services, etc. But it does not relieve ADPC of any responsibility for those matters in the field of his operations. There seems to be no clear distinction or common understanding as to what:

(1) CIA Administration does as a central "service" to OPC under OPC's responsibility and authority—if any.

(2) CIA Administration does as "administrative support" to OPC, i.e., taking up responsibility and authority in the administrative process, where OPC leaves off.

(3) CIA Administration does as DCI's "Staff Office" for administration, i.e., exercising "staff supervision," review, audit, inspection, etc., over OPC's delegated responsibilities and authorities for the administration of men, money and materiel.

b. Due to the lack of such distinctions between "staff," "support" and "service" functions, CIA Administration apparently tends to perform many functions directly as a central operation

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to the exclusion of any ADPC responsibility or authority. Yet, ADPC continues to be held responsible for operational results and OPC continues to be criticized for administrative deficiencies. Specifically, it is not at all clear to me just what authority, if any, CIA Administration has or ought to have over OPC's Area Divisions to the exclusion of the responsibility and authority of ADPC's office and staff.

12. The Deputy Director Administration (Special). Mr. [] has, by his personal intervention as a trouble shooter, tended to minimize many difficulties arising from these unclear and unsatisfactory administrative relationships, which otherwise would be insufferable. However, this is a spotty, makeshift type of symptom-treatment which does not attack the causes of the malady. In fact, it actually tends to aggravate those causes by serving as a short circuit between ADPC's line subordinates and DD/A's subordinates to the exclusion of ADPC's Office and Staff. This results in piecemeal, uncoordinated solutions to piecemeal, unsatisfactory situations as they arise. This is in no sense in derogation of [] or his activities which, given the present unsatisfactory organizational relationships, have probably saved the day up to now.

13. The recently revised Project Review Committee will tend to remedy part of the basic organizational deficiency, in that it will make project approval largely a command decision, in which DDCI and DD/P will participate with DD/A in such a way as to effect balance and priority among operational requirements and resources, which is not provided for in the basic organization or procedures. However, this device will tend to remedy the problem at the level of project approval only. It will not attack the basic organizational and procedural problem of achieving a balance between operational necessity and the careful administration of resources, in the daily course of project execution and administration. This requires an operational and administrative staff groupment under an executive who has coordinate authority over covert mission and means. Under our present organizational scheme, the logical place for such a staff groupment is under DD/P. The lack of such a staff limits DD/P to the potential of one man's abilities as a coordinator, special project sponsor or operational trouble shooter. He is, of course, further limited by lack of authority over operational resources. The command and staff techniques developed in both commercial and military organizations would seem to offer a solution to this problem.

14. Merger. Although sufficient facts to form a definitive conclusion could not be obtained without a survey of OSO, my survey of OPC indicates that:

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a. Ultimately, Covert Intelligence and Covert Operations should be administered through a single command chain down to the Station level and then should branch into separate chains of specialized operatives. But, distinct and strong separate staff elements for intelligence and for special operations should be preserved at each command level to provide the necessary guarding of the valid peculiarities of each, and to prevent one swallowing the other. Unnecessary duplication is undoubtedly using up badly needed administrative resources due to the present degree of separation of OPC and OSO. The same conclusion is indicated with regard to the question of how best to organize for para-military activities as distinguished from political-psychological activities, i.e., a single command chain down to the level of specialized field operatives but with strong staff elements to preserve the expert qualities of each. This finding coincides with the report of an ad hoc committee appointed by Mr. Dulles (Committee Report on "Integration of OSO and OPC," Appendix Tab "H").

b. However, reorganizational steps should be most carefully phased toward this ultimate solution so as not to destroy the morale of the separate OPC and OSO Area Division Chiefs or unduly disrupt operations at this critical time. I found that an integration of the Latin America Divisions of OPC and OSO is contemplated on a trial basis as a pilot model. Geographical boundaries are already being made coterminous and the OPC and OSO area divisions are being moved to contiguous office locations.

c. Despite my finding of the necessity for a very careful phasing of the merger of OPC and OSO at the area division level, I found that the need for the creation of a planning, operational and administrative staff at the DD/P level is immediate and urgent. A summary of the reasons supporting this is as follows:

(1) The job of DD/P exceeds the capacity of any single man.

(2) There is a serious discrepancy between DD/P's responsibility for operational results and his lack of authority over means. The introduction of an administrative staff element in his office is an attempt to give him some measure of control or at least close liaison with his administrative support.

(3) There are many functions of common concern to OSO and OPC such as communications, training and research and development, and commercial activities

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which are now either operating on a cross-service basis or as a duplicating service which could be more economically and efficiently administered as common services under DD/P and the proposed staff. One of the main reasons why these services have not been so organized has been the absence of physical capacity on the part of DD/P to take on the extra load without staff assistance.

(4) There are issues between OSO and OPC which have not progressed satisfactorily to a solution because of the absence of staff assistance at DD/P's level.

(5) Such a staff is a necessary first step in any closer relation between OSO and OPC.

(6) The proposed staff does not represent pyramiding in the form of an additional staff echelon. It is rather the strengthening of staff at an existing echelon.

III.

Recommendations

A. Strength

1. That every effort be made to speed up security clearances and to improve methods of recruiting high level personnel.

2. That the Director and the Deputies assist OPC in filling the following key positions at once:

- a. Chief, Administrative and Logistics Staff
- b. Chief, U.S.S.R. Branch
- c. Chief, Commercial Division
- d. Chief, Latin America Division
- e. Chief, Para-Military Division
- f. Six (6) highly qualified militarily trained logistical planners (preferably two each from Army G-4, Navy Supply Corps and from the Office of the Deputy Chief of Staff Materiel of the Air Force.

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- g. Six (6) highly qualified area experts in Eastern Europe.
- h. Three (3) highly qualified area experts in Latin America.
- i. Three (3) highly qualified area experts in Western Europe.
- j. Three (3) highly qualified psychological warfare planners.

B. OPC Organization

3. That the Psychological Warfare Division of the functional staff be activated with a nucleus drawn from Special Projects Division.

4. That an Economic Warfare element be created at the ADPC Special Staff level (probably initially attached for administration to the new Psychological Warfare Division).

5. That a Para-Military Division be activated as soon as a competent Chief is found.

6. That a more detailed survey be directed to discover ways and means of improving the two-way channel of intelligence between OPC and the rest of CIA.

C. CIA Organization

7. That the office of DD/P be immediately staffed with a Planning office, an Operations office, an Administrative office and a small Secretariat.

8. That the present DD/A (Special), [] while continuing in his present capacity, also be designated as a member of this staff in order that close liaison be maintained between operational plans and the logistical support and administrative assistance now supplied by central administration.

9. That the Training and Communications Divisions be detached from OSO and report to DD/P. ✓

10. That the Research and Development elements and Operational Aids Division be detached from OPC and OSO respectively and be combined in a research and development division at the level of covert technical service on a special staff division under DD/P. ✓

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12. The above recommendations on CIA organization, which may properly be considered the first phase in a continuing reorganizational development, are indicated by chart (Memorandum Exhibit No. 4).

13. That if adequate logistical and administrative support cannot be obtained from central administration through [REDACTED] acting both as DD/A(Special) and as a member of DD/P's staff, the covert administrative elements of Personnel, Procurement and Confidential Funds should be transferred to his office on the staff of DD/P. This change, constituting phase II of a possible reorganizational development, is shown by chart (Memorandum Exhibit No. 5).

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14. That ultimately covert intelligence and covert operations should be administered through a single command chain down to the station level, provided a survey of OSO confirms the finding made on the basis of the survey of OPC. Phase III of the reorganizational development could then be accomplished as shown by chart (Memorandum Exhibit No. 6).

15. That a survey of OO be made with a view to determining whether or not this Office, less Contact Division and any other covert elements, be detached from DD/P and added to the overt intelligence offices.

[REDACTED]

WILLIAM H. JACKSON
Deputy Director of
Central Intelligence

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TAB

MEMORANDUM EXHIBITS

1. Chart - OPC Budget, Fiscal Year 1952.
2. Chart - Present OPC Organization
3. Chart - Organization of Typical Area Division
4. Chart - Phase I in a Continuing Reorganizational Development
5. Chart - Phase II of Possible Reorganization
6. Chart - Phase III of Reorganizational Development

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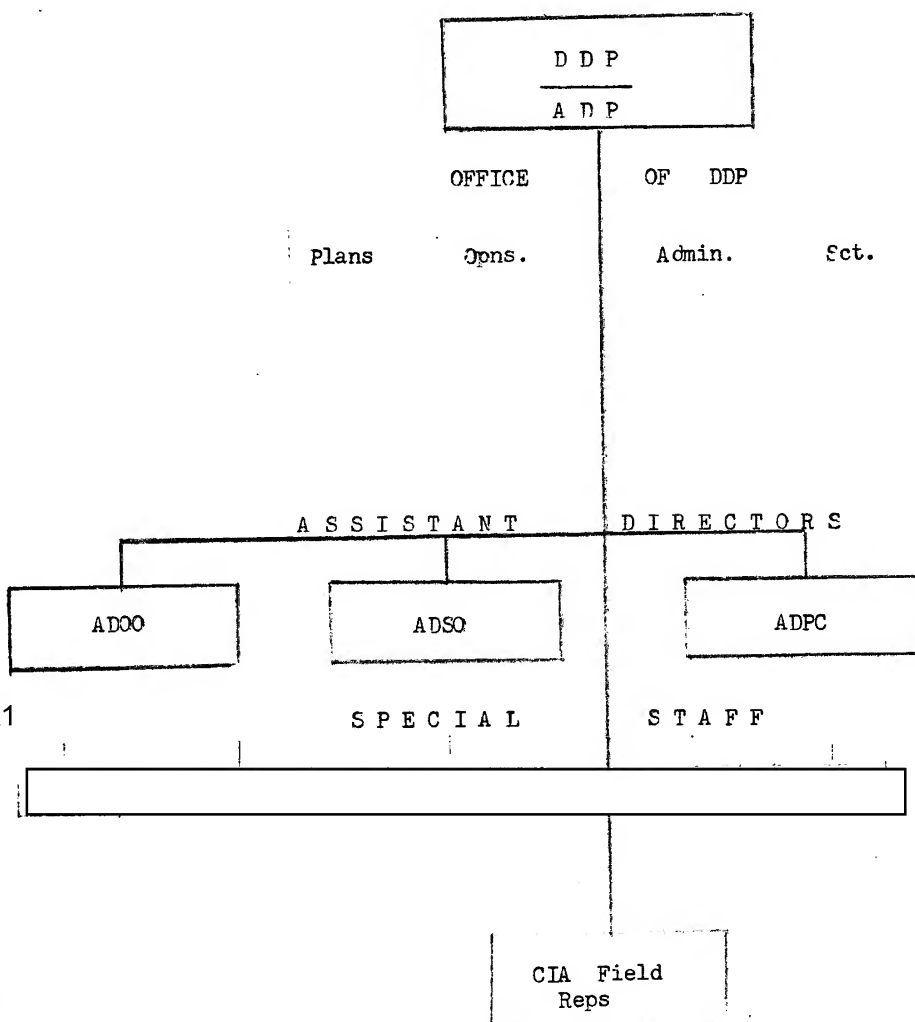
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